

underwriters and portfolio managers. The RBI is taking action in this regard.

SHRI R. SURENDER REDDY: I would like to know whether there has been deterioration in the financial health of some of the financial institutions and the State funding institutions like the State financial corporations. If so, the reasons thereof. I think, presently there is no provision for financing of those shortfalls in those institutions as in the case of commercial banks for which sizable budgetary provisions has been made in the last two Budgets.

I would like to know whether there is any proposal to extend the uniform prudential accounting system including the income recognition norms and provision for doubtful debts to the financial institutions for keeping the financial institutions in good health.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the health of the State financial corporations is a matter of great concern to me. I have taken two meetings with the IDBI. Since then, the Finance Secretary has also discussed this matter at a meeting with the Chief Executives of the State financial corporations. The IDBI is now working out packages to improve performance of the State financial corporations. There is a large proportion of assets which are simply non-performing assets and these corporations have to be run along the commercial lines to a much greater extent than has been the case before.

We have been in discussion with the State Government one by one so that we can evolve viable packages to restore *State financial corporations to the normal health.*

Schemes for Farmers

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*584. SHRIMATI SHEELA GAUTAM:
SHRIMATI BHAVNA CHIKHLIA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government/ Reserve Bank of India have launched some schemes such as Kisan Credit Card Scheme for farmers;

(b) if so, the details of these schemes and the States where these schemes have been launched/proposed to be launched; and

(c) the facilities provided to farmers under each scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). A *Statement* is laid on the Table of the House.

STATEMENT

At a suggestion made by the Government of India to public sector banks in April, 1988, 20 public sector banks have introduced schemes for the issue of Agriculture Credit Cards to farmers in selected districts of a number of States. These cards are issued to farmers who have a good credit record and enable them to receive their credit needs, within certain pre-determined limits set in respect of each borrower, without having to make separate applications. The names of States where this scheme has been made applicable by the 20 public sector banks, are not readily available. This

information is being collected and will be laid on the Table of the House.

[*Translation*]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, I would like to know from the hon. Minister the number of farmers benefited so far under the Credit Card Scheme which was launched in the interest of farmers in 1988? Whether some problems are coming in the way of implementing this scheme comprehensively? If so, the steps being taken in this regard?

[*English*]

SHRI M.V. CHANDRASHEKHARA MURTHY: It is true in April, 1988, 20 public sector banks have introduced this scheme for Agriculture Credit Cards to farmers in the selected district of a number of States. The 20 public sector banks have taken up this job and this has been received very well among the farmers.

Regarding the number of farmers benefited by this scheme. I do not have the information. I will collect and furnish to the hon. Member.

[*Translation*]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, the hon. Minister has said that a large number of farmers have been benefited by this scheme. It may be correct that some farmers might have benefited but there are other farmers also who have to go through lot of difficulties while applying for loans from the banks. Sometimes Bank officers ask for 50% service charges and harass them. The farmers find it very difficult to go to the bank again and again. Whether

Government is aware of such incidences and if so, the measures being taken to give them necessary relief?

[*English*]

SHRI M.V. CHANDRASHEKHARA MURTHY: This is a special scheme available to the farmers so that they can avail of these credit facilities towards the expansion for cultivation of crops and purchase of agricultural inputs and for payments of labour. The scheme is well received among the farmers of the irrigated States.

[*Translation*]

SHRIMATI BHAVNA CHIKHLIA: Mr. Speaker, Sir, the condition of the farmer of our country is very pitiable. It is his misfortune that he never knows about the production cost of his produce in advance. Further, he also does not get the support price on the basis of cost of production. I would like to tell the hon. Minister that Sardar Vallabh Bhai Patel and Mahatma Gandhiji had also said that if we want to make India a prosperous country, then we would first have to take up the development at village level and the villages can be developed only when our farmers are prosperous. There are number of difficulties before the farmers of our country. The hon. Minister has not given a satisfactory reply to my question. My question was: What are the details of these schemes? He has replied in one sentence that if the farmer, who is given loan, has a good credit record he will be able to avail of this facility. I would like to know what is this good credit record? Our agriculture depends on rain. Somewhere it is less and somewhere it is more and there are also a few areas where there is no rainfall. As a result of this, the crops get destroyed. Those farmers,

who have got irrigation facilities, can show good credit record but so far as the small farmers and the marginal farmers are concerned, how can they keep their record good? Now I would like to ask the hon. Minister that what other facilities are proposed to be given to such farmers under this scheme?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: This calls for issue to the farmers who have a good credit record if they do not have any loan in other financial institutions. These are the preliminary requisites.

So far as the right price for the farmers for their produce is concerned, this question has to be addressed to the Ministry of Agriculture.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, the Government have several programmes to provide credit to the weaker sections of society at reasonable rates of interest. The banking system is obliged to provide at least 40 percent of credit for these weaker sections. There are limits for agriculture—up to 18 percent. In the same manner, up to 25 percent of the total credit, out of this 40 percent has to be made available to the weaker sections. I would like to point out that no third party guarantee or collateral security is to be insisted upon for loan up to Rs. 15000/- So, the small farmers are taken care of through a different mechanism than his credit card scheme.

[Translation]

SHRI SURYA NARAYAN YADAV: Mr. Speaker, Sir, there are cases where

bank officials go by their own directions due to heavy demand for Agriculture Credit Cards and shortage of these cards in the banks. I would like to know from the hon. Minister whether Government propose to make special arrangements to bring improvement in the situation?

[English]

SHRI MANMOHAN SINGH: If there are any specific suggestions, we would welcome them.

[Translation]

DR. CHATTARPAL SINGH: Sir, through you, I would like to know from the hon. Minister that during the current financial year, how many new districts are likely to be covered under this scheme?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: At present, it is covered by only 20 banks of the country.

[Translation]

SHRI NARAIN SINGH CHAUDHARI: Sir, I would like to know whether Agriculture Credit Card Scheme is applicable for private land owners only or whether other cultivators are also covered under this scheme? My second question is whether this scheme is only for getting crop loan, or medium term loan and long term loan can also be received under this scheme?

MR. SPEAKER: You can ask him to send the entire scheme and you will get all the details therein.

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY: They can avail of this facility for a continuous period of three year's agricultural operation. Even they can take the crop loan. No collateral security is required up to the tune of Rs. 15,000 and the maximum interest is charged at 12 percent on this amount.

DR. MUMTAZ ANSARI: It is very much interesting to note that credit card scheme has been introduced for the welfare of the farmers. At the same time, I would like to know from the hon. Minister that whatever loan waiver was allowed in the year 1989 and 1991, what has happened to all those farmers because these farmers are going to be put to a lot of grotesque harassment by all the bank officials. I would like to have a clarification from the Finance Minister in this respect. What steps are going to be taken in order to improve the situation and the lot of these farmers.

MR. SPEAKER: It has already been replied.

DR. MUMTAZ ANSARI: I am talking about loan waiver scheme.

SHRI MANMOHAN SINGH: As far as the loan waiver scheme is concerned, although the previous Government announced it, yet we had to foot the bill. For the third year in succession, we have been making a provision, in the budget, of Rs. 1500 crores; last year also it was made. I do not believe that as a result of this the farmers are benefiting. It has vitiated the atmosphere for repayment because the farmers have been made to believe that the next time when there is

an election there will be another loan waiver. The banking system has suffered; the farmers have suffered. I think, it should be the collective effort of all the political parties not to go through the route of loan waiver.

[Translation]

Repayment of Loans

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*586. SHRI GUMAN MAL

LODHA:

SHRI NITISH KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the loans provided to the industrial sector by the various financial institutions of the country are not being repaid timely;

(b) if so, the percentage amount of loans provided to the industrial sector by the financial institutions during 1991-92, 1992-93 and 1993-94 which were repaid within the stipulated period;

(c) the number of cases involving loans of big amount i.e. one crore or more which could not be repaid in time during each of the above three years, separately; and

(d) the steps taken by the Government in this regard?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (d). A *Statement* is laid on the Table of the House.